

Governor Dayton's Budget at a Glance

An Opportunity Agenda for a Better Minnesota

Governor Mark Dayton is proposing a fair and balanced budget that will expand opportunity for all Minnesotans, everywhere in Minnesota. His budget invests in education – from preschool to college and career training – in job and business growth, in infrastructure, and in clean water. Governor Dayton's budget would give Minnesotans choices to purchase more affordable health care, address economic and educational disparities in our communities, and cut taxes for the middle class. With this budget, and these priorities, the Governor is committed to delivering an Opportunity Agenda for a Better Minnesota.

Fiscal Responsibility: A Fair and Balanced Budget

When Governor Dayton took office in January 2011, over 202,000 Minnesotans were out of work. Minnesota was facing a \$6.2 billion budget deficit and the state owed our schools \$1.8 billion. With a growing economy, Minnesota's employers have added 252,100 new jobs. And with sound fiscal management, we have a \$1.4 billion budget surplus, over \$1.5 billion in reserves, and no remaining debt to Minnesota schools. The Governor's budget makes prudent, needed investments to continue the state's strong economic progress, expands opportunity for all Minnesotans, everywhere in Minnesota, and protects our fiscal future with a balanced budget for the long-term.

Jobs and Economy: Growing Opportunity for Families and Businesses

Governor Dayton's Budget makes the following investments to grow jobs and expand opportunity for all Minnesotans, everywhere in Minnesota.

- **Tax Cuts for the Middle Class** – Governor Dayton's Opportunity Agenda would provide \$300 million in tax cuts for 450,000 middle-class Minnesotans and families. Tax cuts would include:
 - **Working Family Tax Credit** – Governor Dayton's budget would invest \$94 million to expand the Working Family Tax Credit to 107,000 new households. Over 260,000 families that currently qualify for the tax credit would see an increase. The average family would save an additional \$124 per year.
 - **Child Care Tax Credit for Families with Young Children** – Governor Dayton has proposed a \$61 million Child Care Tax Credit, helping 95,000 Minnesota families afford quality child care, providing \$60 million in tax cuts. Another 75,000 families, who were already eligible, would save an additional \$379 per year.
 - **Cutting Property Taxes for Farmers** – Farm property taxes have increased 114 percent over the last decade. This problem has been compounded by low commodity prices and rising agricultural land values. To help relieve property tax burdens for Minnesota farmers, Governor Dayton's budget would invest \$34 million to cut farm property taxes for school district debt levies by 40 percent.
 - **Water Quality Buffer Aid Payments for Farmers** – To help alleviate the cost of compliance with state water quality requirements, Governor Dayton has proposed in his budget a program to provide eligible landowners \$40 per acre each year for each tillable acre converted to a water quality buffer strip. Payments would be made for five years beginning in taxes payable 2019.
 - **Federal Tax Conformity for the Middle Class** – Early this session, Governor Dayton signed a bipartisan bill, investing \$21 million in federal tax conformity. By aligning the state's tax code with federal changes made by President Obama and Congress, over 200,000 middle-class Minnesotans will benefit from new tax cuts for teachers, students, homeowners who refinance their mortgages, and more.
 - **Simplifying Taxes for Businesses** – Governor Dayton's budget simplifies paperwork for the Research and Development Tax Credit, making it easier for Minnesota businesses to use.

This credit covers businesses for a portion of their investments in innovative research, giving a boost to Minnesota's cutting-edge economy.

- **Cutting Taxes for Charities** – The Governor's budget would exempt charities from paying sales tax in Minnesota. This proposal would help an estimated 1,700 charities increase their impacts for the Minnesotans they serve.
- **A Jobs Bill** – With \$3 billion in bonding capacity, \$3.7 billion in project requests from communities across Minnesota, and a Triple-A bond rating, now is the time to invest in Minnesota's infrastructure. That is why Governor Dayton has proposed a \$1.5 billion Jobs Bill that would create an estimated 22,900 jobs, and make critical improvements in Minnesota's infrastructure, including local bridges, clean water infrastructure, parks and trails, community assets, and more.
- **Better Transportation** – Minnesota's roads and bridges are in bad shape, and getting worse. Half of Minnesota's roads are over 50 years old. Forty percent of bridges are more than 40 years old. In the next three years, one-in-five Minnesota roads will pass their useful life. Minnesota is facing an \$18 billion transportation funding gap over the next 20 years. Governor Dayton's budget would help close that gap, with new investments in transportation infrastructure. It would give hardworking Minnesota taxpayers a better commute to work and school for about \$3.50 per week, or 50 cents per day.
 - **Better Roads and Bridges** – The Governor's budget would repair or replace 1,700 miles of roads and 235 bridges. It would also give local leaders the resources and flexibility to repair and replace local roads and bridges in their communities by directing 40 percent of the new revenues to cities, counties, and townships.
 - **Transit for Growing Economies** – Greater Minnesota seniors, commuters, and students are expected to take an additional 4.3 million transit trips every year by 2040. The plan would add 500,000 additional hours of service annually in Greater Minnesota – meeting 90 percent of the need. In addition, the Twin Cities are expected to add 800,000 residents and 550,000 new jobs by 2040. Governor Dayton's budget would invest in additional bus rapid transit and light rail transit lines, connecting hardworking Minnesotans to work, school, and home.
 - **Rail Safety** – Every day, trains carrying oil and other hazardous materials pass through Minnesota. These trains present real risks to public safety and our natural resources. The Governor's budget would invest in rail safety to protect those living near railway lines and alleviate traffic for businesses that are backed up by train delays. The plan would fund 75 priority railway infrastructure improvements necessary to improve safety and support economic growth.
- **Minnesota Investment Fund and Job Creation Fund** – Since 2013, the Minnesota Investment Fund and Job Creation Fund have leveraged \$77 million in state funding to generate \$3.1 billion in private investment, a 40-to-1 return on investment, while creating over 10,000 good jobs. About 50 percent of the projects have been in Greater Minnesota communities. In 2016, Republicans slashed funding for the Minnesota Investment Fund by 27 percent and the Job Creation Fund by 52 percent. Governor Dayton's budget would invest \$20 million to restore funding for these programs for the next two years.
- **Angel Investor Tax Credit** – Minnesota's Angel Investor Tax Credit provides a 25 percent credit to investors or investment funds that put money into new technology start-up companies. The initiative has helped over 345 Minnesota businesses in growing industries, like software, biotechnology, and medical devices, secure needed startup capital. Between 2010 and 2015, a \$76 million state investment leveraged more than \$318 million in private sector investment. The Governor's budget includes \$10 million for 2018 to continue the program and create new economic opportunity across Minnesota.
- **Wage Theft Enforcement** – Wage theft occurs when employers do not pay employees what is owed to them for work already performed. Wage theft costs hardworking Minnesotans and their families millions of dollars they already have earned. The Department of Labor and Industry (DLI) estimates 39,000

Minnesota workers suffer from wage theft each year, costing workers \$11.9 million in wages. Governor Dayton's budget would invest \$1 million to expand DLI's investigations and prevent wage theft.

- **Broadband Infrastructure Grants** – About 22 percent of Minnesotans in rural areas lack access to affordable, reliable broadband internet. Since 2014, Governor Dayton has invested \$66 million in broadband infrastructure grants, connecting 25,949 households, 3,176 businesses, and 244 community institutions to broadband. The Governor's budget includes \$60 million to further expand broadband access for Greater Minnesota households and businesses.
- **Promoting Minnesota Tourism** – Minnesota is home to a \$14.4 billion tourism industry that supports over 260,000 jobs across the state. The Governor's budget includes \$2 million to expand Explore Minnesota Tourism's marketing and promotion efforts across the United States and in foreign markets. In 2015, the agency's marketing campaigns paid off for Minnesota, generating 3.5 million trips and \$389 million in traveler spending.
- **Equity Initiatives** – Governor Dayton is committed to building an economy that works for all Minnesotans, not just the wealthy few. That is why the Governor's budget includes high-impact strategies to grow opportunity and create jobs with living wages for Minnesotans in every corner of the state. His budget includes strategic investments to prepare Minnesotans for jobs in growing industries, crack down on wage theft, and expand economic opportunities for Minnesotans who have historically been left behind.
 - **Training for High Wage, High Demand Jobs** – The Minnesota PIPELINE project connects Minnesotans with training for jobs in high demand industries, including advanced manufacturing, agriculture, health care services, and information technology. The Governor's budget includes \$600,000 investment to expand the PIPELINE project and allow more Minnesotans to participate.
 - **Health Equity** – Governor Dayton's budget includes \$1 million to address health disparities in communities of color in Minnesota. This funding would help analyze trends in communities, provide direct outreach to improve health outcomes, and provide grants to community health boards or nonprofits dedicated to reducing rates of violence, suicide, and drug overdose – causes of preventable death with tremendous disparities for veterans, communities of color, and American Indians.
 - **Apprenticeships** – Apprenticeship programs combine job-related technical instruction with structured on-the-job learning experience to prepare Minnesotans for high-demand jobs and careers. Minnesota's LEAP initiative delivers grants to workforce training organizations that work with women, people of color, and members of other communities not traditionally involved in skilled trades. The Governor's budget includes \$100,000 to expand the grant initiative and help connect more Minnesotans of color with good-paying jobs in skilled trades.
 - **Jobs and Opportunity for Minnesotans with Disabilities** – The unemployment rate for Minnesotans with disabilities is more than double that of the general population. Governor Dayton's budget includes a \$7 million investment in Minnesota's Vocational Rehabilitation program to ensure Minnesotans with disabilities receive employment training and counseling to ensure they are able to find and keep a job and live as independently as desired. The Governor's budget would also make changes to help people with disabilities live in their communities.
 - **Equity in Homeownership** – Currently, 77 percent of white households own their homes, while only 39 percent of households of color own their homes in Minnesota. This disparity is often aggravated by the unique barriers to homeownership facing Minnesotans of color. Governor Dayton's budget would invest \$2 million to level the playing field for eligible first-time homebuyers with financial counseling and assistance with down payments and closing costs.

- **Protecting and Enforcing Human Rights** – To improve enforcement of state human rights law and make it easier for Minnesotans to file human rights complaints, the Governor’s budget includes \$2.3 million to open regional Department of Human Rights’ offices in Duluth, Rochester, and Worthington. These offices ensure that people across Minnesota have the protections and opportunities they deserve under the law.
- **Driving Minnesota’s Innovation Economy** – The Minnesota Discovery, Research, and Innovation Economy (MnDRIVE) program at the University of Minnesota supports research with the potential to create new jobs and new economic opportunities across the state. Governor Dayton has proposed an \$8 million for the next two years to support research focused on cancer treatment – an area expected to create jobs and opportunity in the future.
- **Investing in Communities** – Governor Dayton’s budget includes \$30 million in Local Government Aid (LGA) and County Program Aid (CPA) to help local governments provide high-quality, essential services for their residents, and reduce the need for property tax increases to pay for those services.

Education: The Engine of Opportunity and Success

Governor Dayton’s budget makes the following investments to ensure every Minnesotan has access to an excellent education and better workforce training to compete and succeed in the new economy.

- **Investing in E-12 Education** – Since taking office in 2011, Governor Dayton and the Minnesota Legislature have invested \$1.5 billion in E-12 education. This session, the Governor’s budget would continue that progress, investing an additional \$609 million in E-12 education, bringing the Governor’s total investment in E-12 education to \$2.1 billion.
- **Voluntary PreK** – Last year, Governor Dayton secured \$25 million to begin voluntary pre-Kindergarten in 74 school districts. This session, the Governor’s Opportunity Agenda would invest \$75 million in voluntary preK to expand early learning opportunities for thousands more Minnesota families. Governor Dayton’s Budget would also continue funding for early learning scholarships.
- **Expanding Access to Quality Child Care** – Governor Dayton’s budget would invest \$84 million in the Child Care Assistance Program to expand access to quality childcare and remove red tape for families and childcare providers. These changes will improve care for more than 30,000 Minnesota children from working families and increase access to child care in Greater Minnesota.
- **Child Care Tax Credits** – The Governor’s budget would invest \$61 million in the Child Care Tax Credit, helping 95,000 Minnesota families afford quality child care, providing \$60 million in tax cuts. Another 75,000 families, who were already eligible, would save an additional \$379 per year.
- **More Funding for Every School** – Governor Dayton’s budget would increase per pupil funding by 2 percent in each of the next two years for Minnesota’s K-12 public schools. These increases would invest an additional \$371 million in all Minnesota public school districts, everywhere in Minnesota.
- **Investing in Aging Classrooms** – All Minnesota students need a world-class education, no matter where they live. But in school districts without high-value land, the burden of paying for modern schools can fall disproportionately on just a few businesses, farms, and homeowners. That is why the Governor’s budget would invest \$62 million over four years to help school districts repay school bond levies without overly-burdening farmers, businesses, and other private property owners.
- **Homework Starts with Home** – Approximately 167,000 Minnesota households with children face housing instability. Research shows that homeless and mobile children are more likely to be absent from school, perform worse on math and reading tests, and eventually drop out. Through the Homework Starts with Home program, Governor Dayton’s budget includes \$6 million to provide rental assistance to Minnesota families with children to ensure that students have stable housing throughout the school year. Governor Dayton also has proposed a \$2 million investment to reduce homelessness for families with children.
- **Home Visiting** – Minnesota teenagers gave birth to 2,406 babies in 2015. These new parents often lack family support, high school diplomas, and parenting skills. Governor Dayton’s budget would invest \$31

million in the Department of Health's highly effective Home Visiting Program, which helps young parents of at-risk children develop the skills they need to care for their children. The proposal also will improve access to evidence-based home visiting for all high-risk mothers by increasing Medical Assistance payments for these services.

- **Special Education** – Every student deserves an excellent education, including young Minnesotans with disabilities and special needs. This budget would invest \$40 million in special education to deliver on that promise, and help school districts across Minnesota provide excellent educations for all students.
- **Help Me Grow Initiative** – Governor Dayton's budget invests \$3 million in the Help Me Grow initiative, which provides critical child development information to parents and childcare providers. The program helps identify young children with developmental and emotional concerns to connect them with appropriate services, and give them a great start in school and life.
- **Teacher Workforce** – Great teachers can make all the difference for kids – helping them access opportunity and achieve success in their lives. But each year, Minnesota schools lose about 5,800 teachers to retirement, relocation to other states, and career changes, with Greater Minnesota communities hit especially hard. To expand opportunities for teachers, students, and communities across our state, Governor Dayton's budget includes \$5 million to attract and train over 800 new teachers by 2021.
- **Full Service Community Schools** – Community schools offer great opportunities to children and their families to succeed in school and life. Schools are increasingly responsible for providing support services to students beyond the traditional classroom. The Governor's budget includes \$2 million to give more schools the opportunity to partner with communities to offer health and dental clinics, mental health services, family resource centers, college access information, out-of-school program information, and other family support services around the state.
- **Student Support Staff and Counselors** – Governor Dayton's budget includes \$4 million to increase the number of school counselors, social workers, psychologists, and nurses in public schools. Last year, \$12.1 million was provided for matching grants to 37 school districts to increase student support staff and counselors, but there was more demand than that funding could provide. The funding in this year's budget proposal would help fund the districts that did not receive funding last year.
- **Higher Education** – Before Governor Dayton took office, state funding for higher education had been cut significantly. Since then, the Governor and Legislature have made progress to restore higher education funding to keep tuitions in check, increase direct financial aid for students, and invest in classroom improvements. The Governor's budget would invest \$318 million in higher education.
 - **Direct Financial Aid for Students** – Governor Dayton's budget invests \$62 million in the State Grant Program. This investment would increase direct financial aid for 82,400 students, and allow an additional 6,400 students to gain access to the grants.
 - **Minnesota State and the University of Minnesota** – The Governor's budget invests \$125 million in Minnesota State campuses statewide, and \$96.8 million in the University of Minnesota, to support world-class higher educations for Minnesotans, and to support a world-class workforce for our state's economy. The Dayton Jobs Bill would also invest \$135 million in infrastructure improvements at Minnesota State and the University of Minnesota, to ensure our students have world-class classrooms and laboratories to learn and train in for the jobs of the future.
 - **Combating Sexual Assault on Campus** – The Governor's budget includes \$300,000 to hire a Campus Sexual Violence Prevention and Response Coordinator at the Office of Higher Education, who will support efforts to reduce sexual violence on campuses around the state.
 - **Reducing Student Homelessness** – To do homework, get a good night's sleep, and be ready to succeed in the classroom, every college student needs a safe, stable home. But hundreds of Minnesota college students experience housing instability each year. That is why the Governor's budget invests \$250,000 to ensure more Minnesota college students have a safe and stable place to live.

- **Tax Cuts for Students, Families, and Teachers** – The Governor’s budget would cut taxes for over 450,000 middle-class Minnesotans. These tax cuts would benefit college students and their families paying for higher education, and teachers who purchase classroom supplies out of their own pockets.

Quality of Life: Clean, Safe, and Healthy Communities

The Governor’s budget makes the following investments to ensure all Minnesotans enjoy a nation-leading quality of life. With clean water, healthy families, and safe communities, all Minnesotans, everywhere in Minnesota, can enjoy the quality of life they expect and deserve.

- **Health Insurance Reform** – Since 2014, over 250,000 Minnesotans have gained access to health insurance. Now, 96 percent of Minnesotans covered. But steep premium increases and high deductibles have placed a big financial burden on far too many Minnesotans. Governor Dayton’s budget would provide hard-working Minnesotans more affordable health care choices, encourage competition, and hold insurance companies accountable.
 - **Health Premium Relief** – Governor Dayton has proposed investing \$312 million to deliver immediate health premium relief to 125,000 Minnesotans who are facing steep cost increases, but do not currently qualify for tax credits to purchase health insurance. This funding would lower premium costs for eligible Minnesotans by 25 percent.
 - **MinnesotaCare Buy-In** – Governor Mark Dayton is seeking to build on the bipartisan successes of MinnesotaCare. To lower prices for another 100,000 Minnesotans, Governor Dayton wants to give everyone who buys their insurance on the individual health insurance market the choice to buy-into MinnesotaCare. Minnesotans who choose “MinnesotaCare Buy-In” would pay their own way – meaning the cost of their premiums would pay for their coverage, without any additional ongoing costs to Minnesota taxpayers.
 - **Increasing Transparency in the Health Insurance Market** – The Governor’s budget would ask the Office of the Legislative Auditor to conduct a comprehensive audit of health insurers in Minnesota. The audit would review insurers’ administrative expenses, reserves, and payment rates to health care providers to ensure the highest level of transparency and accountability for any rate increases.
- **Fighting the Opioid Epidemic** – Opioid deaths have increased 430 percent in Minnesota since 2000. Eighty percent of Americans addicted to heroin started out taking prescription pain medications. Governor Dayton’s budget includes funding to improve statewide tracking of overdoses in Minnesota so law enforcement and health officials can respond more quickly and effectively. It also would invest \$4 million for Minnesota’s Tribal Nations and urban American Indian communities to fund prevention programs to reduce opioid abuse.
- **Child Protection and Safety** – The Governor’s budget includes \$23 million to improve child protection and foster care programs. These investments would improve the safety of children, help them transition into more permanent homes, and provide the support and care they need to build happy, successful lives.
- **Clean Water** – Over 40 percent of Minnesota’s waters are currently listed as impaired or polluted, and aquatic invasive species have infested more than 550 lakes statewide. Governor Dayton’s budget would invest \$477 million in clean water initiatives.
 - **Improving Water Quality at Its Source** – The Governor’s budget includes \$214 million from the Clean Water Fund to support local efforts to reduce nutrient pollution in Minnesota water, and protect sensitive groundwater and drinking water resources. Doing so will reduce water pollution, save money, and provide cleaner, more affordable and reliable sources of drinking water for Minnesotans.
 - **Protecting Groundwater from Contamination** – When the state’s 77 unlined construction and debris landfills were created, materials such as brick, mortar, and wood were not expected to pose groundwater threats. Now, construction materials have changed to include

plastics, adhesives, and chemicals, which threaten groundwater quality. The Governor's budget invests \$2 million to prevent landfill waste from contaminating groundwater supplies.

- **Partnering with Farmers to Improve Water Quality** – Governor Dayton recently signed a landmark agreement with the U.S. Department of Agriculture to invest \$500 million (\$350 million federal, and \$150 million state) in a partnership with Minnesota farmers to improve water quality. The initiative will provide direct payments to farmers who voluntarily improve their conservation practices to improve water quality. The Governor's Jobs Bill includes \$30 million for the first installment of the state's share of funding.
- **Support for Buffer Implementation** – The Governor's Tax Bill includes \$6.7 million in financial assistance for farmers for installing water quality buffers, alleviating the cost of buffer installation by providing eligible landowners \$40 per acre each year for each tillable acre converted to a water quality buffer strip. It also includes \$10 million in ongoing aid to support local government administration and enforcement of buffer requirements. This will ensure trusted experts in the community work with landowners to achieve compliance with this important law.
- **Developing Next Generation Crops** – Governor Dayton's budget includes \$2 million investment in developing field demonstrations of Minnesota's next generation of economically viable cover and perennial crops. Integrating more perennials and cover crops into row crop production will protect the state's surface and groundwater resources while increasing efficiency, profitability, and productivity of Minnesota farmers.
- **Improving Water Infrastructure** – The Dayton Jobs Bill includes \$80 million for the Water Infrastructure Funding Program to increase aid to communities that are rehabilitating aging wastewater and drinking water infrastructure systems. This will make improvements to make water clean and affordable for Minnesotans.
- **Point Source Implementation Grant Program** – About 4,600 bodies of water in Minnesota are now impaired – meaning they aren't swimmable, fishable, or drinkable. Governor Dayton's Jobs Bill invests \$62 million in the Point Source Implementation Grant Program to help local governments pay for needed water treatment plant upgrades, begin improving water quality across the state, and reduce water costs for Minnesota residents.
- **Improving the Quality of Local Drinking Water** – The Governor's Jobs Bill includes \$25 million in funding to match federal grants for affordable, low-interest loans to help local governments update essential clean water and drinking water projects to serve residents and businesses.
- **Wetland Replacement** – Wetlands provide valuable habitat for wildlife, filter out pollutants and sediment for the protection of downstream water quality in lakes and streams, recharge groundwater supplies, and lessen the impacts of floods by storing water during rain storms and snow melt. Governor Dayton's budget would invest \$15 million to replace wetlands that have been lost to road construction across the state.
- **St. Louis River Cleanup** – Governor Dayton's Jobs Bill includes \$25.4 million to complete cleanup of contaminated sediment and industrial waste in the St. Louis River Estuary and the Duluth harbor and bay. State funding would leverage \$47.2 million in federal funds, allowing clean up to be completed by 2020.
- **Efficient Wastewater Systems** – The Governor's Jobs Bill includes \$5 million for grants to local governments in the metro to correct infiltration problems reducing water from entering municipal wastewater systems.
- **Reducing Energy Use in Public Buildings** – For 20 years, Minnesota has made great gains in clean energy, increasing renewable energy use from 5.8 percent to 20 percent. The Governor's budget invests \$1.3 million

to help school districts, colleges, and universities, local governments, and state agencies measure and reduce energy usage. Better efficiency in public buildings will reduce energy use, saving taxpayer dollars.

- **Public Safety Initiatives** – Minnesotans expect safe, thriving communities to live in and raise their families. Governor Dayton’s budget would make new investments in local law enforcement training and community relations, the Bureau of Criminal Apprehension, and the Department of Corrections to alleviate crime, reduce recidivism, and partner with communities to enhance public safety.
 - **World-Class Training for Law Enforcement & Community Relations** – The Governor’s budget includes \$10 million to ensure that local law enforcement officers receive world-class training and best practices for strengthening relationships with members of the communities they serve.
 - **Additional Agents in the Field** – The Bureau of Criminal Apprehension (BCA) plays a critical role in helping local law enforcement with investigating complex narcotics and homicide investigations. Governor Dayton’s budget would invest \$2.4 million to help the BCA hire nine additional agents to enhance the agency’s ability to support local police and sheriff’s departments. The Governor also has proposed funding to hire two forensic scientists to examine crime scenes, which would decrease turnaround time for investigations.
 - **Improving Correctional Security** – The Governor’s budget would invest \$6 million to hire security staff and install upgraded security cameras, lighting, and other safety infrastructure at state correctional facilities. These investments would help protect staff and incarcerated individuals, and keep Minnesota communities safe.
 - **Safety at the Minnesota Security Hospital** – The Minnesota Security Hospital in Saint Peter provides critical care for some of Minnesota’s most vulnerable individuals. The hospital is facing staffing shortages and increasingly challenging patients. Governor Dayton’s budget would invest \$25 million to hire additional clinical and security staff, and improve staff recruitment, retention, and training. This would help ensure a safe and therapeutic environment for patients and staff.
- **Ending Unfair Lending Practices** – Many Minnesotans with low-incomes struggle to pay their living expenses and live paycheck to paycheck. When unexpected costs arise, these families are forced to rely on high interest “payday” loans, which often carry interest rates of more than 200 percent. These loans can plunge Minnesota’s most vulnerable families into cycles of debt. Governor Dayton’s budget would close loopholes allowing payday lenders to make interest rates much higher than intended under state law. It also would limit borrowers to no more than four short-term loans in a 12-month period.

Reform: State Government at the Speed of Business

The Governor’s budget would make the following investments to make state government more efficient, effective, and accountable to Minnesota taxpayers. It will secure a strong financial future for our state, improve customer service, protect Minnesotans’ data, and deliver the services Minnesotans expect.

- **A Fair and Balanced Budget** – Governor Dayton’s budget makes prudent investments to continue the state’s strong economic progress, expands opportunity for all Minnesotans, everywhere in Minnesota, and protects our fiscal future with a balanced budget for the long-term.
- **Cybersecurity** – Every day, Minnesota state government is subjected to millions of cyberattacks that attempt to interfere with government operations or illegally access your private information. Thanks to Minnesota’s team of cybersecurity experts, these attempts have been identified and prevented so far. But as our world grows more connected, our systems need updating to ensure that Minnesotans’ private data is safe and secure. The Governor’s budget would invest \$74 million to reform our information technology infrastructure and ensure it’s up-to-date, safe, and secure.
- **e-Procurement Reforms** – The Governor has proposed a \$10 million investment to upgrade Minnesota’s budget management system. These improvements would make state government finances more

accountable, make it easier for more Minnesotans to access opportunities to partner with the state, and cut down on customer and government time, meaning quicker service and less time spent processing forms.

- **Upgrading 30-Year-Old IT Systems** – Imagine using the first-ever Macintosh computer, released over 30 years ago, to send email, find a job, or do your daily work. It sounds crazy, but a lot of the state’s IT infrastructure is that old, and is tasked with processing customer service requests for Minnesotans, hosting information online in an accessible, accountable way, and supporting the work of state government. The Governor’s budget would invest \$51 million to begin IT improvements for a modern digital infrastructure to ensure Minnesota state government works at the speed of business.
- **Business Friendly Data Services** – Governor Dayton’s budget would invest \$800,000 to increase the number of Pollution Control Agency reports and permitting applications available online. By putting these reports online in an easily accessible format, businesses can get information quicker and more easily, without wasting time or money.
- **More Efficient Wetland Permitting** – The federal government regulates the discharge of dredged or fill material into Minnesota’s waters, including wetlands. This federal regulation creates a complex regulatory web for businesses, which must comply with both state and federal law. The Governor’s budget includes \$500,000 to streamline permitting requirements and assume regulatory authority from the federal government. This would help create a single online portal for applicants to apply for projects impacting wetlands and waters.